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Manufacturers Report Confirms Need for Cassis' Bills
*Cassis Care & Competitiveness package calls for
phase out of tax penalty on health benefits*

LANSING – A survey released this week by the Michigan Manufacturers' Association shows that rising health care is overwhelming employers as they cut costs – and jobs – to remain profitable.

“Many companies are passing costs on to their employees through higher co-pays, deductibles or premium contributions,” according to the report at <http://www.mma-net.org/healthcaresurvey.asp>. “What is, perhaps, most alarming for manufacturers, employees and the state’s economy is that 41 percent of respondents indicated that their companies were laying off workers or reducing hiring in order to cope with yearly health insurance increases. Other findings also point to the dramatic and negative impact of out-of-control costs.”

State Sen. Nancy Cassis (R-Novi) announced two weeks ago a package of bills that would eliminate the state’s tax penalty on employer-funded health insurance.

“This legislation is precisely the kind of fundamental change in law called for in the MMA’s survey,” Cassis said after reviewing the report. “We need to spur manufacturing and create jobs in Michigan. The bills are especially important and long-overdue in order to make Michigan more competitive, stem the loss of jobs, and address our crisis in healthcare.

“Michigan is one of only two states that impose a tax penalty on employers who supply health benefits to their workers,” Cassis said, noting that Washington is the other. “We ought to be encouraging businesses to fund health care packages for workers, not discouraging them with a capricious and arbitrary tax.”

Cassis said she will soon announce hearings on this legislation.